

Fiscal Year 2013



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CASUALTY ACTUARIAL SOCIETY
Annual Report

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● CAS's Mission, Vision and Core Values

Mission

The purposes of the Casualty Actuarial Society are:

- to advance the body of knowledge of actuarial science applied to general insurance, including property, casualty and similar risk exposures;
- to expand the application of actuarial science to enterprise risks and systemic risks;
- to establish and maintain standards of qualification for membership;
- to promote and maintain high standards of conduct and competence;
- to increase the awareness of actuarial science;
- and, to contribute to the well being of society as a whole.

Vision

Actuaries are recognized for their authoritative advice and valued comment wherever there is financial risk and uncertainty.

Core Beliefs and Values

- **Collaboration** – We value the opportunities to work with other organizations to address problems related to property & casualty and similar risks. We value the relationships and the knowledge we gain through cooperative efforts with geographically and professionally diverse teams.
- **Community** – We value the membership community and the relationships formed through professional and volunteer activities. We believe that open discussion and debate advances our body of knowledge. We work together as members to improve and promote our practices, profession, and organization. We value a strong community, built on mutual respect and professionalism.
- **Continual Improvement** – We demonstrate commitment to stay current on the latest developments in actuarial science, to advance the body of actuarial science research, and to look for solutions to actuarial issues that are beyond the obvious explanations.
- **Professionalism and Integrity** – We set and demonstrate standards of excellence for the granting of qualifications of membership; we operate to high standards of knowledge, practice, and principles; we abide by a strong professional code of conduct.
- **Practicality** – We advance the practice of actuarial science through the application of actuarial methods and research in creative, practical ways. We use cognitive and analytical skills to develop creative, practical solutions to a wide range of complex business problems.



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● Membership Demographics

A Growing Society

For a professional society, an important metric is membership growth, and the numbers here indicate that we continue to be a growing Society.

	November 1993	November 2003	November 2013
Fellows	1,211	2,503	4,230
Associates	872	1,318	1,817
Affiliates	--	26	20
Total	2,083	3,847	6,067

The total membership growth in the 10-year time frame is 58% and the 20-year time frame is 190%. The growth from November 2012 to November 2013 is 3.7%.

Analysis of Membership by Employment Type

Type of Employment	Fellows			Associates			Affiliates	
	Nov. 1993	Nov. 2003	Nov. 2013	Nov. 1993	Nov. 2003	Nov. 2013	Nov. 2003	Nov. 2013
Insurance Company:								
Property/Liability	581	1104	1,866	452	576	767	9	4
Life and Accident & Health	12	15	60	13	24	32	--	1
Reinsurance*	109	357	426	62	131	127	6	2
Organizations Serving Insurance Business**	51	64	248	41	42	118	--	3
Consultants	295	412	617	160	205	275	8	4
Government	19	41	57	32	37	34	--	1
Academic	4	7	19	6	5	7	--	1
Brokers and Agents*	14	64	79	22	49	41	1	
Other	28	341	589	32	197	305	2	3
Retired	98	98	269	52	52	111	--	1
Total	1,121	2,354	4,015	872	1,318	1,817		20

* Category created in 1989

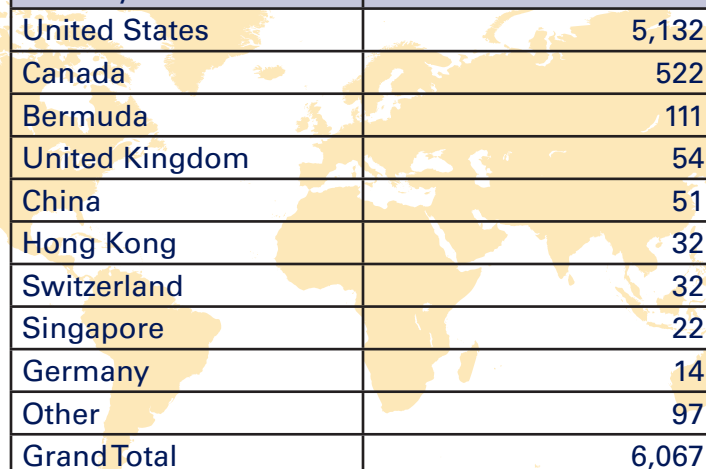
** Formerly Bureaus and Associations



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2013 Geographic Membership Distribution

The top nine countries from 2013 where CAS members reside were as follows:



Count of Country	
Country	Total
United States	5,132
Canada	522
Bermuda	111
United Kingdom	54
China	51
Hong Kong	32
Switzerland	32
Singapore	22
Germany	14
Other	97
Grand Total	6,067

Volunteerism

Since the founding of the CAS in 1914, volunteers have been the main life force sustaining the Society through its various dimensions of growth—in the examination process and in the variety of continuing education activities, as well as in supporting the sheer growth in membership. As a result, members of the CAS through their numerous volunteer activities essentially direct all phases of CAS operations.

In FY 2013 alone, 2,081 out of 6,046 CAS members served as volunteers. That's 34.4% of the membership! Volunteer positions include the entire range of CAS activities: the examination committees, research and development activities, liaison representatives, and various program committees and speakers, who serve as faculty for these programs. Many of these activities cannot take place without the active participation of dedicated CAS volunteers.





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FY 2013 Association Accomplishments

Admissions and Examination Highlights

CAS Examinations, Spring 2013

	Registrations	Exams Taken	Exams Passed	Ineffective Candidates	Effective Pass Ratio
Joint CAS/CIA/SOA Exam 1/P					
U.S.	2265	1994	705	313	41.9 %
Canada	347	305	121	34	44.6 %
Other	669	589	323	56	60.6 %
TOTAL	3281	2888	1149	403	46.2%
Joint CAS/CIA/SOA Exam 2/FM					
U.S.	1842	1283	548	164	48.9 %
Canada	306	213	102	13	51.0 %
Other	557	388	190	37	54.1 %
TOTAL	2705	1884	840	214	50.3%
Joint CAS/CIA/SOA Exam 3F/MFE					
U.S.	1776	1565	753	146	53.1%
Canada	551	486	237	37	52.8%
Other	709	625	299	43	51.4%
TOTAL	3036	2676	1289	226	52.6%
Joint CAS/CIA/SOA Exam 4/C					
U.S.	1313	942	417	76	48.1%
Canada	469	336	156	23	49.8%
Other	628	450	213	50	53.2%
TOTAL	2410	1728	786	149	49.8%
Online Course 1					
U.S.	--	129	104	0	--%
Canada	--	25	20	0	--%
Other	--	28	18	0	--%
TOTAL	--	182	142	0	--%
Online Course 2					
U.S.	--	--	--	2	--%
Canada	--	--	--	0	--%
Other	--	--	--	0	--%
TOTAL	--	194	147	2	--%

Statistics for Exams 1, 2, 3F, and 4 may vary from published results due to exams that are withheld for disciplinary action.



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	Registrations	Exams Taken	Exams Passed	Ineffective Candidates	Effective Pass Ratio
CAS Exam 3L					
U.S.	289	274	128	42	55.17%
Canada	26	23	13	2	61.90%
Caribbean	0	0	0	0	0.0%
Europe	3	2	1	0	50.00%
East Asia	6	6	5	1	100.0%
Other*	7	5	2	2	66.67%
TOTAL	331	310	149	47	56.65%
CAS Exam 5					
U.S.	592	565	215	34	40.49%
Canada	140	134	29	8	23.02%
Caribbean	2	2	0	0	0.0%
Europe	10	8	2	1	28.57%
East Asia	106	100	14	11	15.73%
Other*	20	19	3	1	16.67%
TOTAL	870	828	263	55	34.02%
	Registrations	Exams Taken	Exams Passed	Ineffective Candidates	Effective Pass Ratio
CAS Exam 7					
U.S.	274	260	74	23	31.22%
Canada	68	65	22	3	35.48%
Caribbean	0	0	0	0	0.0%
Europe	2	2	0	0	0.0%
East Asia	11	11	3	3	37.50%
Other*	4	4	2	0	50.00%
TOTAL	359	342	101	29	32.27%
CAS Exam 9					
U.S.	430	400	153	21	40.37%
Canada	107	104	46	4	46.00%
Caribbean	2	2	1	0	50.00%
Europe	13	13	4	2	36.36%
East Asia	34	33	10	3	33.33%
Other*	15	14	5	1	38.46%
TOTAL	601	566	219	31	40.93%



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Demographic Summary of Exams 3L, 5, 7, and 9		
	Total Registrations	Percentage
Exams in the U.S. and Canada	1926	89.13%
Exams outside the U.S. and Canada	235	10.87%
Totals	2161	

* "Other" includes Bermuda, India, Pakistan, Australia, and countries in the Middle East and Africa.

For CAS-specific Exams 3L, 5, 7, and 9	
Total Number of Registered Candidates (Unduplicated)	2139
Total Number of Exams Taken	2046
Total Number of Sitting Candidates (Unduplicated)	2030
New Fellows:	72
- From ACAS	70
- From Candidate	2
New Associates:	36

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CAS Examinations, Fall 2013

	Registrations	Exams Taken	Exams Passed	Ineffective Candidates	Effective Pass Ratio
Joint CAS/CIA/SOA Exam 1/P					
U.S.	2199	1861	696	341	45.8
Canada	418	354	166	32	51.6
Other	758	641	336	57	57.5
TOTAL	3375	2856	1198	430	49.4
Joint CAS/CIA/SOA Exam 2/FM					
U.S.	1375	1113	440	106	43.7
Canada	226	182	83	15	49.7
Other	455	371	170	35	50.6
TOTAL	2056	1666	693	156	45.9
Joint CAS/CIA/SOA Exam 3F/MFE					
U.S.	1917	1663	798	176	53.7
Canada	558	484	256	43	58.0
Other	819	710	360	63	55.6
TOTAL	3294	2857	1414	282	54.9
Joint CAS/CIA/SOA Exam 4/C					
U.S.	1279	1143	425	117	41.4
Canada	350	313	142	27	49.7
Other	508	453	182	42	44.3
TOTAL	2137	1909	749	186	43.5
Online Course 1					
U.S.					
Canada					
Other					
TOTAL	271	271	207		
Online Course 2					
U.S.					
Canada					
Other					
TOTAL	199	199	156		

Statistics for Exams 1, 2, 3F, and 4 may vary from published results due to exams that are withheld for disciplinary action.



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	Registrations	Exams Taken	Exams Passed	Ineffective Candidates	Effective Pass Ratio
CAS Exam 3L					
U.S.	421	398	186	48	53.1%
Canada	21	20	11	3	64.7%
Caribbean	1	1	1	0	100.0%
Europe	3	2	1	1	100.0%
East Asia	9	8	3	2	50.0%
Other*	4	3	1	0	33.3%
TOTAL	459	432	203	54	53.7%
CAS Exam 5					
U.S.	505	478	173	24	38.1%
Canada	137	129	48	5	38.7%
Caribbean	1	1	1	0	100.0%
Europe	8	6	1	1	20.0%
East Asia	106	100	10	17	12.0%
Other*	21	18	5	2	31.3%
TOTAL	778	732	238	49	34.9%
CAS Exam 6C					
U.S.	0	0	0	0	0.0%
Canada	127	125	42	4	34.7%
Caribbean	0	0	0	0	0.0%
Europe	0	0	0	0	0.0%
East Asia	0	0	0	0	0.0%
Other*	3	3	1	0	33.3%
TOTAL	130	128	43	4	34.7%

	Registrations	Exams Taken	Exams Passed	Ineffective Candidates	Effective Pass Ratio
CAS Exam 6US					
U.S.	584	560	228	22	42.4%
Canada	2	2	1	0	50.0%
Caribbean	0	0	0	0	0.0%
Europe	11	10	5	2	62.5%
East Asia	35	32	9	6	34.6%
Other*	12	11	6	1	60.0%
TOTAL	644	615	249	31	42.6%



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CAS Exam 8					
U.S.	433	419	194	11	47.5%
Canada	98	97	55	2	57.9%
Caribbean	1	1	0	0	0.0%
Europe	17	17	8	0	47.1%
East Asia	52	48	24	5	55.8%
Other*	12	10	2	0	20.0%
TOTAL	613	592	283	18	49.3%

Demographic Summary of Exams 3L, 5, 6C, 6US, and 8		
	Total Registrations	Percentage
Exams in the U.S. and Canada	2328	89%
Exams outside the U.S. and Canada	196	11%
Totals	2624	

* "Other" includes Bermuda, India, Pakistan, Australia, and counties in the Middle East and Africa.

For CAS-specific Exams 3L, 5, 6C, 6US, and 8	
Total Number of Registered Candidates (Unduplicated)	2596
Total Number of Exams Taken	2499
Total Number of Sitting Candidates (Unduplicated)	2474
New Fellows:	127
- From ACAS	104
- From Candidate	23
New Associates:	182

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University Engagement

The CAS Strategic Plan calls for the Society to increase its outreach to university students and faculty, and the University Engagement Committee (UEC) is the driving force behind this effort. In addition to managing the CAS University Liaison and Academic Programs, the UEC encourages and facilitates activities within the programs and actively promotes the programs to attract new participants. To further this outreach initiative, the CAS also created the staff position of University Engagement Manager and filled it in October 2013.

The CAS's goal to successfully engage students and faculty and create interest in the CAS exam system and credential is two-fold: to ensure CAS's continued membership growth and to benefit the profession as a whole with the inclusion of well-qualified casualty actuaries.

Throughout the year, the CAS has engaged with students and academics by conducting class presentations, speaking at student club meetings, and participating in various actuarial career fairs and other events. In FY 2013, the CAS launched an online community for CAS University Liaisons where they can download resources for their use in university outreach activities, connect and share experiences with other liaisons, and receive news and information from the CAS in support of their work. The UEC also identified schools in which CAS should have a presence and paired University Liaisons with these schools to fill the gaps.

At year's end, 339 CAS members had signed up to be University Liaisons and 286 schools have been assigned to University Liaisons. For 2014 the CAS is developing resources for students and academics that include a curriculum guide and a series of case studies consisting of presentation slides accompanied by a teacher's guide, problem sets and an Excel workbook.



Students and faculty in the actuarial program at Vancouver's Simon Fraser University were special guests at the CAS Spring Meeting.



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Continuing Education

In-Person Meetings and Seminars

The number and variety of CAS offerings represent an ongoing expansion of education services to respond to members' demand for high-quality, affordable continuing education opportunities.

2013 Meetings



Spring Meeting
Vancouver, Canada
968 Attendees

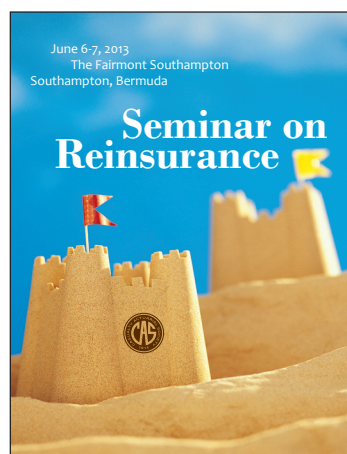


Annual Meeting
Minneapolis, MN
855 Attendees

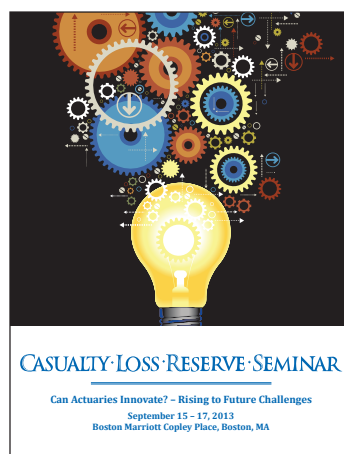
2013 Seminars



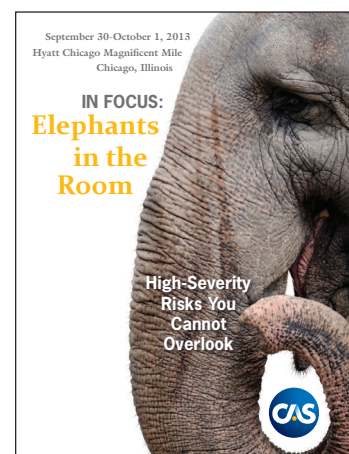
**Ratemaking and Product
Management Seminar**
Huntington Beach, CA
663 Attendees



Seminar on Reinsurance
Southampton, Bermuda
327 Attendees



CLRS
Boston, MA
765 Attendees



In Focus:
Elephants in the Room
Chicago, IL
165 Attendees



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Other in-person events in FY 2013 include:

- Three (3) limited-attendance seminars, titled “Introduction to R,” “Predictive Modeling,” and “Reinsurance Boot Camp on Pricing Techniques.”
- Four (4) special seminars on CERA credentialing, including “Enterprise Risk Management and Modeling Seminar for CERA Qualification” (two sessions in March and September) and “Experienced Practitioners Pathway for CERA Qualification” (two sessions in April and November)
- Five (5) Courses on Professionalism were held; Four in North America and one in Beijing, China.

Web and Online Offerings

The CAS increased its web and online educational offerings to meet the needs of members looking for alternative ways to earn CE credit. In FY 2013, the CAS conducted 13 webinars, with topics ranging from reserve risk models to usage-based insurance.

In addition to the many webinars offered in FY 2013, the Casualty Actuarial Society introduced a variety of engaging, creative and interactive online courses on cutting-edge topics important to casualty actuaries.

The courses feature real-life examples as case studies to show how a member can apply the content, and they include several new interactive features such as quizzes, matching exercises, knowledge checks and definition bubbles.

Members can take these self-paced courses anytime and anywhere for as long as they need, revisiting any of the topics covered at their convenience.



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● Research and Development

During FY 2013, the CAS Research Department completed a number of significant projects, including:

- Phase 1 of the Actuarial Climate Volatility Index (literature review).
- “Understanding Contingent Capital,” a report published in 2013 Spring E-Forum-Volume 2.
- Update of and webinar about the Risk Premium Project II (RPP II) literature survey
- 2013 Reinsurance Call for Papers, published in 2013 Spring E-Forum-Volume 2.
- Collection of essays on Incentive Compensation and ERM (joint with the Joint Risk Management Section).
- Non-Technical Reserves Call for Papers, 16 papers published in the 2013 Fall E-Forum; nine of the papers were presented at the 2013 Annual Meeting.
- International Association of Actuaries’ Discount Rate Monograph.
- Michelbacher Prize for Significant Achievement awarded at 2013 CAS Annual Meeting.
- Tail Factors Working Party Report, published in the 2013 Fall E-Forum.
- Bornhuetter-Ferguson Initial Expected Losses Working Party findings presentation based on a 2012 survey (the Working Party is now creating a report).

Notable work currently in progress includes:

- Actuarial Climate Volatility Index RFP, Phase 2 (construction of index) .
- 2015 Ratemaking Call for Papers (7 papers in progress).
- RFP on Capital Allocation: report to be submitted December 2013.
- Credit Risk Compendium: researcher selected, contract signed, research underway.
- Actuarial Measures of Housing Value: paper in preparation.
- Regulatory Risk and North American Insurance Organizations (joint with the North American Actuarial Council).
- Several projects jointly sponsored with the Actuarial Foundation.
- Predictive Modeling two-book project: Volume I to be published spring 2014.
- Open-Source Software Committee’s R wiki.
- Healthcare wiki.

The CAS has also continued to pursue cooperation with other actuarial organizations. We are a key partner and funder of ERM-related research through the Joint Risk Management Section, which is jointly sponsored by the Canadian Institute of Actuaries, Society of Actuaries and the CAS. The CAS also meets regularly about research topics with members of the North American Actuarial Council. The CAS Vice President-R&D participates in a regular call with GIRO and attended the 2013 GIRO meeting in Edinburgh. A number of GIRO members are participating in the Predictive Modeling book project mentioned above and the CAS is pursuing other opportunities for collaborative projects.

CAS Research and Development continues to work with Professional Education to disseminate the results of research projects to the membership and to sponsor projects that will advance the technical skills of the CAS members.



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● Marketing and Communications

CAS Brand Development

To assist the CAS with defining and promoting the CAS brand in fulfillment of its Strategic Plan, the CAS conducted market research to examine the current perceptions of the CAS brand and to develop plans to promote the CAS brand to key stakeholders. As a first step, the CAS identified its key constituents as:

- CAS members
- Candidates for membership (those who are taking CAS examinations)
- Employers of CAS members and candidates
- Regulators
- University students
- Academics

The CAS conducted both qualitative and quantitative market research with these key stakeholders. The research resulted in a clear understanding of the CAS brand and position in the marketplace, and allowed the CAS to distill the attributes of the CAS brand. According to its stakeholders, the CAS brand represents:

Premier — The CAS credential is unmatched for its rigor, integrity, and relevance—attributes that employers and regulators value. That reputation extends to CAS members, who consider CAS to be THE professional society for P&C actuaries.

Leading — The actuarial profession is constantly changing. The CAS strives to lead its members through the changes and serve as a model of opportunity, adaptation and innovation.

Respected — For almost 100 years, CAS has been setting the standard of expertise, credibility and professional integrity for the P&C actuarial profession.

Valuable — CAS strives to be a trusted, valuable resource for members for their professional development and advancement throughout their careers.

Specialized — When it comes to its mission and work, the CAS has a singular focus: to provide members with the specialized credential, knowledge, resources and community they need to be uniquely qualified for the P&C field.

Collaborative — The CAS's dedicated and talented volunteers, members and staff inspire a culture of trust and support that is unparalleled in the actuarial community.

Partner — The CAS believes that the most effective way to advance and protect the actuarial profession is to work collectively with the organizations and constituencies that are critical to CAS members both in the U.S. and across the globe.

The research also allowed CAS to articulate its brand promise, which describes what the CAS offers in a way that matters to its key stakeholders.



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The CAS Brand Promise

We focus on supporting casualty actuaries who are committed to achieving their full professional potential while maintaining the highest standards of conduct and competence.

Based on the perceptions identified through the market research, CAS developed a brand messaging platform that identifies specific key messages for each set of stakeholders. This platform provides a foundation for the detailed marketing plans that are being executed for promoting the CAS to members, candidates, employers, regulators, university students and academics.

Following the market research, articulation of CAS brand attributes and development of the messaging platform, CAS assessed whether the historical CAS seal was the best representation of the CAS brand. It was determined that that a new, modern logo would better represent the CAS brand attributes as the CAS celebrates its Centennial in 2014 and marches into its second century.

As the CAS promotes itself to its key stakeholders through the marketing outreach strategies, the new visual identity will support that effort. The new logo is fresh and different, while maintaining similarities to the historical seal. The graphic retains the visual equity that has been established over the years through the round shape, primary blue color palette, and inter-connected letterforms. The modern and clean type font and dimensional use of color present the CAS as a forward-looking organization. The eye-catching gold dot reinforces the perception of the CAS as the “gold standard” of the property/casualty actuarial profession while representing precision and value.

A tagline that captures the essence of what the CAS provides to its key stakeholders—100 Years of Expertise, Insight & Solutions—further reinforces the CAS brand.

Following the relaunch of the CAS brand in conjunction with the 2013 CAS Spring Meeting, the CAS began executing detailed marketing-communication plans for key external target audiences. This work is ongoing.

Online Communities

In September 2013, CAS introduced the CAS Online Community. This private social network facilitates interactions among CAS members, candidates, and others with an interest in the CAS.

One of the goals in the CAS Strategic Plan is focused on Community. The Plan specifically calls for the CAS to establish new networking vehicles to improve the connectivity of members as well as current and potential candidates. This new online tool is designed to do exactly that.

With the online communities, the CAS enhanced online member profiles which are now able to accommodate additional details about members.

All CAS committees and task forces have an established community within the new online network,





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and CAS volunteers have found their online community to be a powerful tool to facilitate committee work. Beyond committees and special interest sections, the CAS is exploring ideas for new communities of like-minded members that can be established to help members build and maintain connections with colleagues.

Community has been and will continue to be a core value of the CAS. Members value the community and the relationships formed through professional and volunteer activities. The new CAS Online Community platform will help CAS to build on that tradition.

Launching the CAS Centennial Year

The close of the 2013 CAS Annual Meeting in November marked the beginning of the CAS Centennial Year, which will culminate at the CAS Centennial Celebration and Annual Meeting scheduled for November 2014. In conjunction with the 2013 Annual Meeting, the CAS unveiled its Centennial website, which features a special section celebrating the history of CAS. The section includes Milestones from the First 100 Years of the CAS, presented through an interactive timeline that describes the seminal moments that have made the CAS what it is today: the premier credentialing organization for property/casualty actuaries. A photo and video gallery are also included on the website.

Publications

CAS contributes to actuarial literature through its many publications—one of which went through a major transformation. In 2013 the CAS journal *Variance* continued its commitment to publishing practical articles in actuarial science. The year also produced more offerings in the CAS *E-Forum* and Working Paper sites, which contribute greatly toward this goal.

Begun in 1970, the CAS newsletter was a typewritten document that was published sporadically for the next few years. In 1974 it was given the name *The Actuarial Review* and began to be published quarterly. Over the years, the newsletter's design changed gradually with the times. In the past few years the *AR*'s page count seemed to grow as fast as CAS membership.

Early in 2013, a team of CAS staffers and *Actuarial Review* volunteers worked to develop new columns and departments and revamp old ones for a new look and feel for the longtime CAS member newsletter. The result was a newly designed bi-monthly *Actuarial Review* magazine with full color, more artwork, advertising and new and reorganized content.

Long-standing columns like "Ethical Issues" and "Brainstorms" were grouped into new departments. New departments such as "Member News" were created to showcase members' achievements and their "nonactuarial pursuits" in the revamped column "Downtime." "Actuarial Expertise" is the new department home of the popular "Brainstorms" column and is open to contributions from member experts in various aspects of actuarial science.

Through its many publications and numerous research and development projects, the CAS continues its commitment to advancing the body of knowledge of actuarial science applied to property, casualty, and similar risk exposures.



● CAS Governance— Board of Directors and Executive Council



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Executive Council



Gary R. Josephson*
President



Wayne Fisher
President-Elect



G. Chris Nyce
Vice President—
Administration



Virginia R. Prevosto
Vice President—
Admissions



Robert F. Conger
Vice President—
International



Arlie Proctor
Vice President—
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Mary D. Miller
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Professional
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Alice M. Underwood
Vice President—
Research &
Development



Barry A. Franklin
Vice President—
ERM



Cynthia R. Ziegler
CAS Executive
Director,
Secretary/Treasurer

*Also a member of the Board of Directors



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Patricia Teufel
Immediate Past President
(Chairs Board in 2013)



Gary R. Josephson
President



Wayne Fisher
President-Elect



Dr. Maria de los Angeles Yanez†
2013



Michael Steelt
2013



Mark C. Vonnahmet
2013



Jeanne Crowell
2013



C. K. "Stan" Khury
2013



Andrew E. Kudera
2013



Ronald Kozlowski
2013



Shawna S. Ackerman
2014



Steven D. Armstrong
2014



Annette J. Goodreau
2014



James R. Merz
2014



John Tierney
2014



Charles A. Bryan
2015



David R. Chernick
2015



Ann Conway
2015



Rick Gorvett
2015

† Appointed

● Looking Ahead: CAS's Strategic Goals for 2014



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Insight & Solutions

Basic Education— Increase the scope and breadth of stats on the syllabus and decrease the amount of less relevant material.

Continuing Education— Increase the use of technology and increase partnerships with other organizations.

Influence and Outreach— Enhance the value of the CAS credential among employers and principals AND increase relationships with universities and awareness among academics of the CAS career path.

Research— Increase engagement with other actuarial organizations and professions worldwide in order to increase the depth and breadth of research in General Insurance topics.

Professionalism— Publish a best practices guide for peer review of actuarial work products.

Member Community— Improve connectivity of membership and current and potential candidates.



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● FY 2013 Financial Highlights

The CPA firm CliftonLarsonAllen examined the CAS financial records for fiscal year 2013 and the CAS Audit Committee reported the firm's finding to the CAS Board of Directors in April 2014. The fiscal year ended with an audited net gain of \$1,887,842 compared to budgeted net loss of \$333,712.

The CAS surplus now stands at \$7,786,786. This represents an increase in surplus of \$1,775,185 over the amount reported last year. In addition to the net income from operations of \$603,643, there was interest and dividend income of \$184,755, a realized loss of \$1,240, an unrealized gain of \$546,918, and a reduction in pension plan liabilities of \$553,767. There was a total net increase of \$112,657 in various research, prize, and scholarship accounts (including the CAS Trust). Total Members' Equity (CAS surplus plus non-surplus accounts) now stands at \$9,216,497, an overall increase of \$1,887,842 over last year. For FY 2014, the CAS Board of Directors has approved a budget of approximately \$10.0 million. Members' dues are \$525, representing an increase of \$50.

Financial Report

FISCAL YEAR ENDED 9/30/2013

FUNCTION	REVENUE	EXPENSE	DIFFERENCE
Membership Services	\$2,711,017	\$3,409,618	(\$698,601)
Seminars	2,517,831	2,057,768	460,063
Meetings	1,633,070	1,406,059	227,011
Exams	5,808,952 (a)	5,182,572 (a)	626,380
Publications	7,025	18,235	(11,210)
TOTALS FROM OPERATIONS	\$12,677,895	\$12,074,252	\$603,643
Interest and Dividend Revenue			184,755
Realized Gain/(Loss) on Marketable Securities			(1,240)
Unrealized Gain/(Loss) on Marketable Securities			546,918
Change in Pension Liability			553,767
TOTAL NET INCOME (LOSS)			\$1,887,842

NOTE: (a) Includes \$3,074,904 of Volunteer Services for income and expense (SFAS 116).



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BALANCE SHEET

ASSETS	9/30/2012	9/30/2013	DIFFERENCE
Cash and Cash Equivalents	\$2,041,221	\$3,525,348	\$1,484,127
T-Bill/Notes, Marketable Securities	8,390,826	9,354,651	963,825
Accrued Interest	11,012	6,531	(4,481)
Prepaid Expenses / Deposits	388,441	209,034	(179,407)
Prepaid Insurance	35,875	41,236	5,361
Accounts Receivable	173,393	178,544	5,151
Textbook Inventory	11,953	10,744	(1,209)
Computers, Furniture, Leasehold Improvements	780,219	771,989	(8,230)
Less: Accumulated Depreciation	(672,383)	(692,473)	(20,090)
TOTAL ASSETS	\$11,160,557	\$13,405,604	\$2,245,047
LIABILITIES	9/30/2012	9/30/2013	DIFFERENCE
Exam Fees Deferre	\$1,153,591	\$1,426,283	\$272,692
Seminar and Meeting Fees Deferred	977,152	1,497,137	519,985
Accounts Payable and Accrued Expenses	640,169	782,844	142,675
Accrued Pension	905,239	367,534	(537,705)
Deferred Leasehold Improvements Allowance	66,648	45,600	(21,048)
Deferred Rent Obligation	89,103	69,707	(19,396)
TOTAL LIABILITIES	\$3,831,902	\$4,189,105	\$357,203
MEMBERS' EQUITY			
Unrestricted	9/30/2012	9/30/2013	DIFFERENCE
CAS Surplus	\$6,011,601	\$7,786,786	\$1,775,185
Michelbacher Fund	162,541	164,289	1,748
CAS Trust - Operating Fund	243,151	251,859	8,708
Centennial Fund	373,529	446,354	72,825
ICA 2014 Fund	79,646	93,137	13,491
Research Fund	368,460	385,888	17,428
Subtotal Unrestricted	\$7,238,928	\$9,128,313	\$1,889,385



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Temporarily Restricted	9/30/2012	9/30/2013	DIFFERENCE
Scholarship Fund	\$2,879	\$2,408	(471)
CAS Trust - Ronald Bornhuetter Fund	57,339	57,956	617
CAS Trust - Reinsurance Prize Fund	29,509	27,819	(1,690)
Subtotal Temporarily Restricted	\$89,727	\$88,184	(\$1,544)
TOTAL MEMBERS' EQUITY	\$7,328,655	\$9,216,497	\$1,887,842

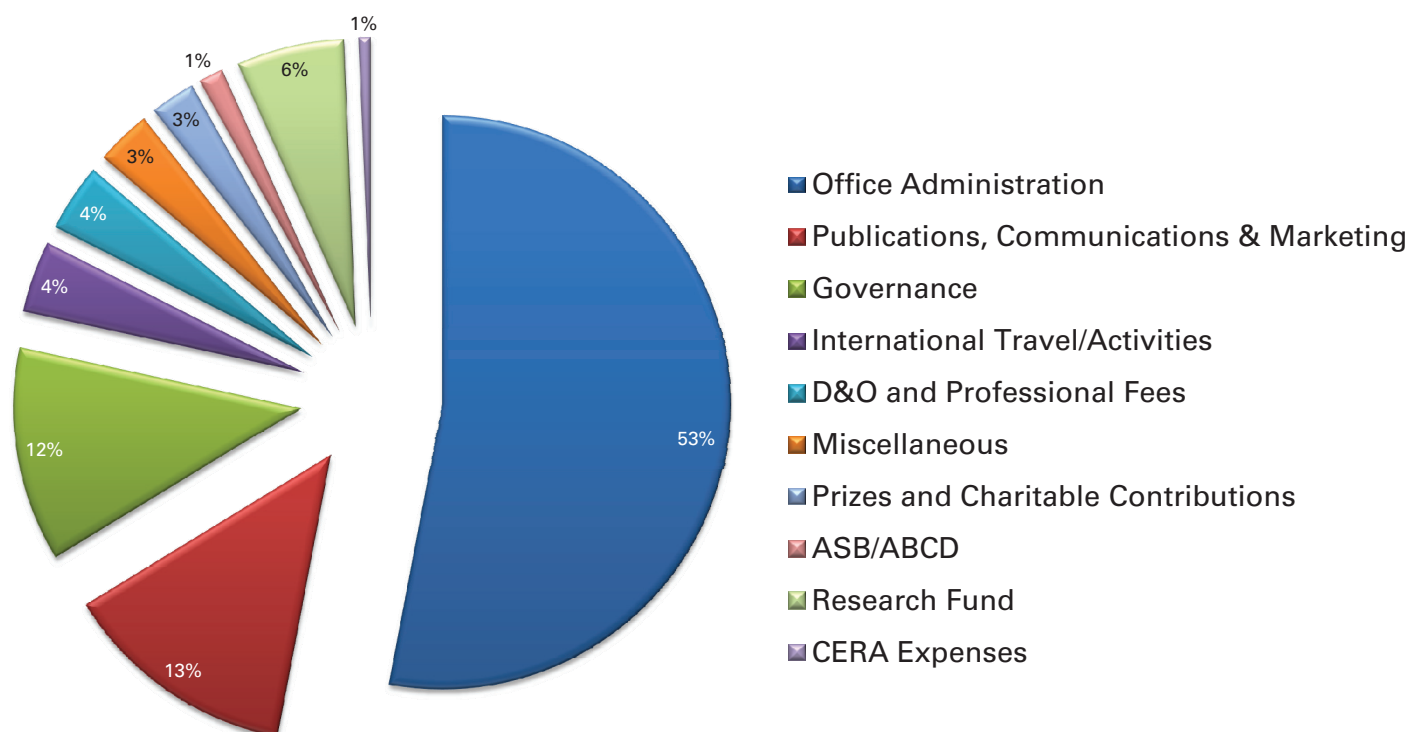
G. Chris Nyce, Vice President - Administration

AUDITED

CAS Audit Committee: Jim Merz, Chairperson

Charles Bryan, Vice-Chairperson, Lisa Chanzit, Robert Foskey, Frank Majors, Chris Nyce (ex-officio), and John Tierney

Membership Dues Dollars Allocation





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CAS Society Partner's Program

The CAS Society Partner's Program is designed to help firms build and maintain year-round relationships with the influential group of insurance professionals that are CAS members. The program carries out marketing objectives while developing a unique relationship with CAS members and the actuarial profession as a whole.

Society Partners are able to spend the amount pledged on a wide variety of sponsor, exhibitor, and advertising opportunities throughout the year. In return Society Partners receive benefits commensurate with their investment level. This program provides year-long exposure and maximum flexibility by allowing firms to choose from and combine exhibitor and sponsor opportunities to suit their budget and marketing mix.

In FY 2013-2014, the CAS announced corporate partnerships with 16 organizations.

Five Centennial Partners, \$20,000 two-year commitment—Ezra Penland Actuarial Recruitment, Lexis-Nexis, Milliman, Pryor Associates Executive Search, Ernst & Young

Four Platinum Partners, \$15,000 annual—Actuarial Careers, Gross Consulting, Towers Watson, Earnix

Two Gold Partners, \$10,000 annual—Red Mountain Technologies, Verisk Insurance Solutions

Five Silver Partners, \$5,000 annual—CARFAX, Guy Carpenter, Moody's Analytics, Pinnacle Group Recruiting, Pinnacle Actuarial Resources

2013 Partner Revenue: \$150,900

2013 Non-Partner Revenue: \$33,500

Each year the CAS Society Partner's program is enhanced with new opportunities for visibility. In 2013-2014 the following new items were available for sponsorship

- CAS Meeting App
- Advertising in the NEW Actuarial Review magazine, 6 issues annually.
- Centennial-Level Sponsorship